

ATTACHMENT C:

**FCPS FY 2006 FINAL BUDGET REVIEW AND
APPROPRIATION RESOLUTIONS**

SCHOOL BOARD AGENDA ITEM**Agenda Item No.****Prepared:** July 13, 2006**New Business:** July 13, 2006**Action:** July 27, 2006**Staff Contact:** Deirdra McLaughlin, Chief Financial Officer, Financial Services**SUBJECT:** FY 2006 Final Budget Review**RECOMMENDATION:**

That the School Board approve revenue and expenditure adjustments as detailed in the agenda item.

EXPLANATION:

All FY 2006 accounts have been closed, subject to the annual independent audit. A summary of revenue and expenditure variances is provided for each of the funds under the control of the School Board. All comparisons are against the FY 2006 estimate.

Recommended expenditure adjustments include:

- \$8.0 million to restore nonrecurring expenditure reductions from the approved budget
- \$1.5 million in VRS and State Life expenditure savings due to rate reductions
- \$1.6 million for technology support specialists (TSSpecs) to support elementary schools, offset by savings in the telephone accounts
- \$1.6 million to restore the staffing reserve to 194.0 positions
- \$1.8 million transfer decrease to the summer school program

If the School Board approves the FY 2007 recommended expenditure adjustments totaling \$8.0 million, \$23.1 million will be available to be set aside as budgeted beginning balance for FY 2008.

Attachments

	<u>AMOUNT</u>	<u>POSITIONS</u>
I. FY 2006 ACTUAL		
A. Revenue	(\$5,769,290)	
Actual FY 2006 revenue is \$5.8 million below the projection. There was a decrease of \$7.1 million in federal grant revenues due to unspent grant awards that will be carried forward and appropriated again in FY 2007. There was also a decrease in state revenues due to a reduction in sales tax receipts and the number of school age children in Fairfax County. These decreases were offset by higher receipts for tuition, fees, and facilities use.		
B. Expenditures	28,869,885	
Expenditures were \$28.9 million less than projected. The accounts with remaining balances primarily include salaries, benefits, and unspent grant awards.		
FY 2006 AVAILABLE BALANCE	<u>\$23,100,595</u>	
II. FY 2007 REVENUE ADJUSTMENTS		
A. County Transfer	\$8,000,000	
Additional funding provided by the Board of Supervisors from their FY 2006 ending balance will be used to restore \$8.0 million in nonrecurring expenditure reductions included in the FY 2007 Approved Budget.		
TOTAL REVENUE ADJUSTMENTS	\$8,000,000	
FY 2007 TOTAL FUNDS AVAILABLE	<u>\$31,100,595</u>	

√ Recurring
X Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
III. FY 2007 EXPENDITURE ADJUSTMENTS		
X A. FY 2007 Approved Reductions to be Restored		
The following nonrecurring expenditure items were reduced as part of the FY 2007 Approved Budget Review. These items will be restored using one-time funding provided by the Board of Supervisors from their FY 2006 ending balance.		
1. 24/7 Learning Initiative – BART Item Acquisition	\$1,000,000	0.0
2. Active reading strategies – Middle Schools	302,869	0.0
3. Elementary Staffing Initiatives – ESOL Teacher Equipment	20,000	0.0
4. Elementary Staffing Initiatives – TTT Teacher Equipment	42,800	0.0
5. E-mail – Mailbox Size and Backup for Teachers	400,000	0.0
6. FECEP/HeadStart – Waterford Early Reading Program	43,396	0.0
7. Full-Day Kindergarten – Facilities Costs	225,000	0.0
8. Full-Day Kindergarten – Teacher Equipment	40,000	0.0
9. Full-Day Kindergarten – Waterford Early Reading Program	361,026	0.0
10. Equipment/Radios	1,006,405	0.0
11. Middle School Staffing Initiatives – Teacher Equipment	59,600	0.0
12. New School – One-time startup costs	1,398,904	0.0
13. Textbook Adoption	2,700,000	0.0
14. Preventive Maintenance	400,000	0.0
	\$8,000,000	0.0
√ B. VRS Savings	(1,513,570)	0.0
As a result of General Assembly action, the Virginia state life insurance rate was reduced from 1.22% to 1.13% resulting in a savings of \$0.7 million. In addition, the rate for the VRS retiree health insurance credit was reduced from 0.56% to 0.49% resulting in a savings of \$0.8 million.		
√ C. Position Reduction	0	(10.0)
The FY 2007 approved budget included a placeholder of \$1.0 million in compensation savings resulting from the consolidation of several administrative offices and centers. Since development of the FY 2007 budget, the actual cuts have been identified. They include 10.0 positions and hourly funds equivalent to 7.5 full-time employees, for a total reduction of 17.5 FTEs in the School Operating Fund. In addition, a reduction of 1.0 position is also being recognized in the Health and		
√ Recurring		
X Nonrecurring		

		<u>AMOUNT</u>	<u>POSITIONS</u>
	Flexible Benefits Fund, for a total reduction of 18.5 FTEs.		
X	D. Riverdeep Program	125,000	0.0
	The Riverdeep program is a web-based platform to supplement math instruction, reinforce math skills and increase test scores. The program supports low-performing students and those with limited English proficiency, and is available in English and Spanish. It will be used at six elementary schools in the Stuart pyramid.		
√	E. TSSpecs for Elementary Schools	0	19.0
	Savings in telephone costs due to the Share the Savings Program will offset the cost of 19 of the 36 additional positions required to fully staff the Instructional Technology Support Model which calls for a 0.5 TSSpec at each elementary school.		
X	F. Staffing Reserve	1,575,859	26.0
	The FY 2007 approved budget reduced the staffing reserve positions from 194.0 to 168.0 to partially offset the cost for the elementary and middle school staffing initiatives. This item will restore the reserve to 194.0 positions to help address large class sizes, avoid elementary combination classes, and meet unexpected needs when schools open. Any unallocated positions will be returned to the School Board at the FY 2007 Third Quarter Budget Review.		
X	G. Student Enrollment Methodology Consultant	50,000	0.0
	Funding is required for the consultant requested by the School Board to study student enrollment methodologies and accuracy rates.		
X	H. Bell Schedule Consultant Phase II	75,000	0.0
	Funding is required for the consultant requested by the School Board to study the feasibility of establishing later high school start times.		

		<u>AMOUNT</u>	<u>POSITIONS</u>
X	I. Accounts Payable System	360,000	0.0
	<p>In a March 31, 2006, memorandum, the School Board was notified that FCPS, in collaboration with the county, would launch the Electronic Accounts Payable Project to improve the operating efficiency of the accounts payable process. Once the system is operational, staff efficiency will be maximized and FCPS will leverage better negotiation power with our external vendors. The total estimated cost of the system is \$530,000. Additional funding of \$360,000 is needed, with the \$170,000 balance to be funded from department funds.</p>		
X	J. Culinary Arts	375,000	0.0
	<p>As a result of capacity enrollment at the five current sites offering culinary arts, there is a need to expand the program. Locating the program at South Lakes High School would ensure easier access to the course by South Lakes and Herndon students. Building the space during renovation is the most cost-effective approach.</p>		
X	K. INET Fiber	210,000	0.0
	<p>Funding will provide INET fiber for the Fairfax County School Administration Center and Eagle View Elementary School, allowing connectivity to the INET network for data and video services. If INET fiber is not pulled to the sites, an alternative means of connectivity for data and video will need to be provided through a third-party service provider such as Verizon or Cox.</p>		
X	L. Emergency Generator	150,000	0.0
	<p>This request is for redundant power for the Fairfax County School Administration Center server room for systems that are included in FCPS' disaster recovery plan. Existing building generator power will not support critical systems in the server room.</p>		

√ Recurring
X Nonrecurring

		<u>AMOUNT</u>	<u>POSITIONS</u>
X	M. Strategic Governance	100,000	0.0
	Over the past year, as part of its new Strategic Governance initiative, the School Board has developed new beliefs, vision and mission statements, as well as new student achievement goals. The School Board approved the new statements at the June 22 board meeting, and will continue to engage the community as partners in the strategic governance effort through periodic community meetings. This funding will allow the School Board to continue its work with The Aspen Group, which provides consultation and facilitation support with the design and implementation of the Strategic Governance initiative.		
X	N. Professional Development Registration System	300,000	0.0
	In order to support the Department of Professional Learning and Training, funding totaling \$300,000 will be used to purchase and implement an online system for all types of professional development offered to all FCPS employees. This will include the ability to do all registration online, track professional development activities systemwide, maintain employee training transcripts, and conduct evaluation of activities. The software contract will include an online professional development tracking system, technical support, training, software maintenance and upgrades, assistance with the product installation, and configuration and integration user support.		
X	O. Summer School Funding	(1,791,996)	0.0
	By using the FY 2006 available ending balance in the Summer School and SOL Remediation Subfund to offset FY 2007 summer school costs, a reduction of \$1.8 million can be made in the School Operating Fund transfer to this program.		
FY 2007 TOTAL EXPENDITURE ADJUSTMENTS		<u>\$8,015,293</u>	<u>35.0</u>

√ Recurring
X Nonrecurring

	<u>AMOUNT</u>	<u>POSITIONS</u>
SUMMARY		
FY 2006 AVAILABLE BALANCE	\$23,100,595	
FY 2007 COUNTY TRANSFER INCREASE	<u>8,000,000</u>	
FY 2007 TOTAL FUNDS AVAILABLE	\$31,100,595	
FY 2007 TOTAL EXPENDITURE ADJUSTMENTS	<u>8,015,293</u>	35.0
FY 2008 BUDGETED BEGINNING BALANCE	\$23,085,302	

√ Recurring
X Nonrecurring

VII. OTHER FUNDS

FOOD AND NUTRITION SERVICES FUND

The FY 2006 ending balance in the Food and Nutrition Services Fund is \$9.6 million, or \$0.2 million more than estimated, primarily due to higher than anticipated food sales.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

Grants Subfund:

FY 2007 appropriations in the Grants Subfund are increasing \$15.1 million due to carryover of FY 2006 unspent grant awards.

Summer School Subfund:

The FY 2006 ending balance in the Summer School and SOL Remediation Subfund is \$1.9 million. Of this amount, \$114,017 is for undelivered orders, leaving an available balance of \$1.8 million. By using this available balance to fund the FY 2007 budget, a reduction of \$1.8 million can be made to the School Operating Fund transfer to this subfund.

ADULT AND COMMUNITY EDUCATION FUND

The FY 2006 ending balance in the Adult and Community Education Fund is \$829,636. Of this amount, \$247,861 is for undelivered orders, leaving an available balance of \$581,775.

SCHOOL CONSTRUCTION FUND

The FY 2006 ending balance in the School Construction Fund is (\$4.4) million. In FY 2006, actual expenditures and obligations not paid exceeded revenues by \$4.4 million. However, since the fiscal year ended with a positive cash balance, Fairfax County's pooled cash account will not be impacted. FY 2007 revenue and cash flow requirements are expected to be adjusted to offset the FY 2006 actual ending balance deficit.

Total costs for multi-year construction projects are allocated when the jobs are contracted and unspent balances are carried forward into future fiscal years until the projects are complete. An increase of \$402.8 million in the School Construction Fund appropriation is due to project balances being carried forward and reallocated in FY 2007. Other adjustments include a reduction in the receipt of the State Construction Grant due to General Assembly action, and facility modifications due to a budgetary reallocation.

SCHOOL INSURANCE FUND

The FY 2006 ending balance in the School Insurance Fund is \$22.1 million, or \$4.5 million more than estimated, due to lower than anticipated claims expenditures in the risk management and workers' compensation subfunds.

HEALTH AND FLEXIBLE BENEFITS FUND

The FY 2006 ending balance in the Health and Flexible Benefits Fund is \$43.1 million, or \$9.3 million more than estimated, due to lower than anticipated medical claims expenditures and higher than anticipated interest income and flexible accounts withholding receipts. In FY 2007, a \$10.0 million reserve for GASB 45 has been established to comply with new accounting requirements. In addition, a reduction of a 1.0 position is also being recognized in this fund due to efficiencies realized from the recent consolidation of administrative offices and centers.

SCHOOL CENTRAL PROCUREMENT FUND

The FY 2006 ending balance in the Central Procurement Fund is \$664,983.

EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND

The FY 2006 ending balance for the Educational Employees' Retirement System of Fairfax County is \$1.7 billion. This reflects the fund's total asset value through May 31, 2006, and estimated asset values for June 2006.

FY 2006 revenues from contributions totaled \$77.2 million, or \$0.3 million less than the fiscal year's estimate of \$77.5 million. Investment income growth for the fund has historically been budgeted at the actuarially assumed rate of 7.5 percent. Investment income of \$142.5 million is \$11.5 million more than the FY 2006 estimate. Expenditures for FY 2006 totaled \$139.8 million, or \$8.0 million less than the FY 2006 estimate.

SCHOOL OPERATING FUND STATEMENT

	<u>FY 2006 Revised</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, July 1:						
Budgeted Beginning Balance	\$30,000,000	\$30,000,000	\$0	\$35,000,000	\$35,000,000	\$0
Flexibility Reserve	8,000,000	8,000,000	-	-	8,000,000	8,000,000
Undelivered Orders	28,502,443	28,502,443	-	-	26,703,951	26,703,951
Automatic Carryover	8,738,786	8,738,786	-	-	8,450,529	8,450,529
Unencumbered Carryover	14,228,448	14,228,448	-	-	6,433,671	6,433,671
Grants Carryover	54,538	54,538	-	-	40,570	40,570
Available Balance	<u>27,095,116</u>	<u>27,095,116</u>	<u>-</u>	<u>-</u>	<u>23,100,595</u>	<u>23,100,595</u>
Total Beginning Balance	\$116,619,331	\$116,619,331	\$0	\$35,000,000	\$107,729,316	\$72,729,316
RECEIPTS:						
Sales Tax	\$156,687,882	\$151,439,992	(\$5,247,890)	\$171,342,281	\$171,342,281	\$0
State Aid	230,550,460	230,266,885	(283,575)	270,236,608	270,236,608	-
Federal Aid	45,224,053	39,503,251	(5,720,802)	39,977,429	47,101,229	7,123,800
City of Fairfax Tuition	31,376,708	31,376,708	-	32,931,512	32,931,512	-
Tuition, Fees, and Other	<u>10,381,274</u>	<u>15,864,251</u>	<u>5,482,977</u>	<u>10,537,048</u>	<u>10,537,048</u>	<u>-</u>
Total Receipts	\$474,220,377	\$468,451,087	(\$5,769,290)	\$525,024,878	\$532,148,678	\$7,123,800
TRANSFERS IN:						
County General Fund:						
Approved Operating Transfer	\$1,429,716,456	\$1,429,716,456	\$0	\$1,525,218,089	\$1,533,218,089	\$8,000,000
Teacher Liability Payment	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers In	\$1,431,337,820	\$1,431,337,820	\$0	\$1,525,218,089	\$1,533,218,089	\$8,000,000
Total Receipts & Transfers	\$1,905,558,197	\$1,899,788,907	(\$5,769,290)	\$2,050,242,967	\$2,065,366,767	\$15,123,800
Total Funds Available	\$2,022,177,528	\$2,016,408,238	(\$5,769,290)	\$2,085,242,967	\$2,173,096,083	\$87,853,116
EXPENDITURES						
School Board Reserve	\$1,936,605,419	\$1,866,106,813	(\$70,498,606)	\$2,037,010,798	\$2,095,765,823	\$58,755,025
School Board Reserve	8,000,000	-	(8,000,000)	-	8,000,000	8,000,000
Teacher Liability Payment	<u>1,621,364</u>	<u>1,621,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	\$1,946,226,783	\$1,867,728,177	(\$78,498,606)	\$2,037,010,798	\$2,103,765,823	\$66,755,025
TRANSFERS OUT:						
School Construction Fund	\$15,154,197	\$15,154,197	\$0	\$13,195,057	\$12,999,842	(\$195,215)
Grants & Self-Supporting Fund	22,137,706	22,137,706	-	29,589,072	27,797,076	(1,791,996)
Adult & Community Education Fund	1,700,131	1,700,131	-	1,674,217	1,674,217	-
Consolidated County & Schools Debt Fund	<u>1,958,711</u>	<u>1,958,711</u>	<u>-</u>	<u>3,773,823</u>	<u>3,773,823</u>	<u>-</u>
Total Transfers Out	\$40,950,745	\$40,950,745	\$0	\$48,232,169	\$46,244,958	(\$1,987,211)
Total Disbursements	\$1,987,177,528	\$1,908,678,922	(\$78,498,606)	\$2,085,242,967	\$2,150,010,781	\$64,767,814
ENDING BALANCE, June 30:	\$35,000,000	\$107,729,316	\$72,729,316	\$0	\$23,085,302	\$23,085,302
Less:						
Flexibility Reserve	\$0	\$8,000,000	\$8,000,000	\$0	\$0	\$0
Budgeted Beginning Balance	35,000,000	35,000,000	-	-	23,085,302	23,085,302
Other Commitments	<u>-</u>	<u>41,628,721</u>	<u>41,628,721</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available Ending Balance	\$0	\$23,100,595	\$23,100,595	\$0	\$0	\$0

FOOD AND NUTRITION SERVICES FUND STATEMENT

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$10,484,452	\$10,484,452	\$0	\$9,373,489	\$9,568,064	\$194,575
RECEIPTS:						
Food Sales	\$41,539,163	\$42,475,095	\$935,932	\$43,644,550	\$43,644,550	\$0
Federal Aid	17,444,399	17,172,269	(272,130)	17,793,287	17,793,287	-
State Aid	770,535	790,793	20,258	785,101	785,101	-
Other Revenue	65,464	337,735	272,271	150,000	150,000	-
Total Receipts	\$59,819,561	\$60,775,892	\$956,331	\$62,372,938	\$62,372,938	\$0
Total Funds Available	\$70,304,013	\$71,260,344	\$956,331	\$71,746,427	\$71,941,002	\$194,575
EXPENDITURES:	\$60,930,524	\$61,692,280	\$761,756	\$62,372,938	\$62,372,938	\$0
Change in Inventory	-	-	-	-	-	-
Subtotal	\$60,930,524	\$61,692,280	\$761,756	\$62,372,938	\$62,372,938	\$0
Food and Nutrition Services General Reserve	\$9,373,489	\$0	(\$9,373,489)	\$9,373,489	\$9,568,064	\$194,575
Total Disbursements	\$70,304,013	\$61,692,280	(\$8,611,733)	\$71,746,427	\$71,941,002	\$194,575
ENDING BALANCE, JUNE 30	\$0	\$9,568,064	\$9,568,064	\$0	\$0	\$0
Less:						
Undelivered Orders	\$0	\$ 267,492	\$ 267,492	\$0	\$0	\$0
Inventory	0	1,463,412	1,463,412	0	0	0
Available Ending Balance	\$0	\$7,837,160	\$7,837,160	\$0	\$0	\$0

GRANTS & SELF-SUPPORTING PROGRAMS FUND

	FY 2006 <u>Estimate</u>	FY 2006 <u>Actual</u>	<u>Variance</u>	FY 2007 <u>Approved</u>	FY 2007 <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$8,690,556	\$8,690,556	\$0	\$0	\$8,545,092	\$8,545,092
RECEIPTS:						
State Aid	\$11,439,414	\$9,067,456	(\$2,371,958)	\$9,825,306	\$10,459,004	\$633,698
Federal Aid	39,343,382	29,635,500	(9,707,882)	32,255,706	39,905,008	7,649,302
Tuition	3,020,513	2,974,532	(45,981)	3,068,042	3,068,042	-
Industry, Foundation, Other	2,173,594	2,196,253	22,659	175,365	366,066	190,701
Total Receipts	\$55,976,903	\$43,873,741	(\$12,103,162)	\$45,324,419	\$53,798,120	\$8,473,701
TRANSFERS IN:						
School Operating Fund (Grants)	\$7,168,998	\$7,168,998	\$0	\$10,101,846	\$10,101,846	\$0
County General Fund	1,482,598	1,482,598	-	-	-	-
School Operating Fund (Summer School)	14,968,708	14,968,708	-	19,487,226	17,695,230	(1,791,996)
Cable Communications Fund	2,118,159	2,118,159	-	2,321,540	2,321,540	-
Total Transfers In	\$25,738,463	\$25,738,463	\$0	\$31,910,612	\$30,118,616	(\$1,791,996)
Total Funds Available	\$90,405,922	\$78,302,760	(\$12,103,162)	\$77,235,031	\$92,461,828	\$15,226,797
EXPENDITURES	\$90,405,922	\$69,757,668	(\$20,648,254)	\$77,235,031	\$92,461,828	\$15,226,797
ENDING BALANCE, JUNE 30	\$0	\$8,545,092	\$8,545,092	\$0	\$0	\$0
Less:						
Undelivered Orders	0	\$2,181,000	\$2,181,000	\$0	\$0	\$0
Available Ending Balance	\$0	\$6,364,092	\$6,364,092	\$0	\$0	\$0

ADULT & COMMUNITY EDUCATION FUND STATEMENT

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$997,863	\$997,863	\$0	\$0	\$829,636	\$829,636
RECEIPTS:						
State Aid	\$1,018,827	\$900,742	(\$118,085)	\$801,595	\$801,595	\$0
Federal Aid	1,082,035	1,118,234	36,199	888,751	888,751	-
Tuition and Fees	7,230,512	6,791,559	(438,953)	7,950,008	7,950,008	-
Other	325,842	364,220	38,378	255,818	255,818	-
Total Receipts	\$9,657,216	\$9,174,755	(\$482,461)	\$9,896,172	\$9,896,172	\$0
TRANSFERS IN:						
School Operating Fund	\$1,700,131	\$1,700,131	\$0	\$1,674,217	\$1,674,217	\$0
Total Transfers In	\$1,700,131	\$1,700,131	\$0	\$1,674,217	\$1,674,217	\$0
Total Receipts and Transfers	\$11,357,347	\$10,874,886	(\$482,461)	\$11,570,389	\$11,570,389	\$0
Total Funds Available	\$12,355,210	\$11,872,749	(\$482,461)	\$11,570,389	\$12,400,025	\$829,636
EXPENDITURES	\$12,355,210	\$11,043,113	(\$1,312,097)	\$11,570,389	\$12,400,025	\$829,636
ENDING BALANCE, JUNE 30	\$0	\$829,636	\$829,636	\$0	\$0	\$0
Less:						
Undelivered Orders	\$0	\$247,861	\$247,861	\$0	\$0	\$0
Available Ending Balance	\$0	\$581,775	\$581,775	\$0	\$0	\$0

SCHOOL CONSTRUCTION FUND STATEMENT

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$11,358,258	\$11,358,258	\$0	\$0	(\$4,420,773)	(\$4,420,773)
RECEIPTS:						
Bond Sales	\$109,691,200	\$109,690,000	(\$1,200)	\$129,485,000	\$129,485,000	\$0
State Construction Grant	928,965	930,817	1,852	928,965	693,582	(235,383)
PTA/PTO Receipts	150,000	1,731,766	1,581,766	150,000	150,000	-
City of Fairfax	150,000	752,528	602,528	150,000	150,000	-
Other Revenue	136,000	87,294	(48,706)	136,000	136,000	-
Total Receipts	\$111,056,165	\$113,192,405	\$2,136,240	\$130,849,965	\$130,614,582	(\$235,383)
 AUTHORIZED BUT UNISSUED BONDS	 \$419,880,290	 \$0	 (\$419,880,290)	 \$11,541,000	 \$419,240,984	 \$407,699,984
Total Referendums	\$419,880,290	\$0	(\$419,880,290)	\$11,541,000	\$419,240,984	\$407,699,984
TRANSFERS IN:						
School Operating Fund						
Building Maintenance	\$9,400,000	\$9,400,000	\$0	\$9,400,000	\$9,400,000	\$0
Classroom Equipment	3,391,022	3,391,022	-	3,195,057	3,195,057	-
Facility Modifications	2,363,175	2,363,175	-	600,000	404,785	(195,215)
Total Transfers In	\$15,154,197	\$15,154,197	\$0	\$13,195,057	\$12,999,842	(\$195,215)
 Total Receipts and Transfers	 \$546,090,652	 \$128,346,602	 (\$417,744,050)	 \$155,586,022	 \$562,855,408	 \$407,269,386
 Total Funds Available	 \$557,448,910	 \$139,704,860	 (\$417,744,050)	 \$155,586,022	 \$558,434,635	 \$402,848,613
EXPENDITURES AND COMMITMENTS:						
Expenditures	\$137,568,620	\$144,125,633	\$6,557,013	\$144,045,022	\$139,193,651	(\$4,851,371)
Additional Contractual Commitments	419,880,290	-	(419,880,290)	11,541,000	419,240,984	407,699,984
Total Disbursements	\$557,448,910	\$144,125,633	(\$413,323,277)	\$155,586,022	\$558,434,635	\$402,848,613
 ENDING BALANCE, JUNE 30	 \$0	 (\$4,420,773)	 (\$4,420,773)	 \$0	 \$0	 \$0

SCHOOL INSURANCE FUND STATEMENT

	<u>FY 2006</u> <u>Estimate</u>	<u>FY 2006</u> <u>Actual</u>	<u>Variance</u>	<u>FY 2007</u> <u>Approved</u>	<u>FY 2007</u> <u>Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$17,703,712	\$17,703,712	\$0	\$17,682,969	\$22,134,839	\$4,451,870
RECEIPTS:						
Workers' Compensation						
School Operating Fund	\$5,266,150	\$5,266,150	\$0	\$6,771,502	\$6,771,502	\$0
School Food & Nutrition Serv. Fund	277,166	277,166	-	277,166	277,166	-
Other Insurance						
School Operating Fund	6,700,000	6,700,000	-	6,700,000	6,700,000	-
Insurance Proceeds	50,000	558,744	508,744	50,000	50,000	-
Total Receipts	\$12,293,316	\$12,802,060	\$508,744	\$13,798,668	\$13,798,668	\$0
Total Funds Available	\$29,997,028	\$30,505,772	\$508,744	\$31,481,637	\$35,933,507	\$4,451,870
EXPENDITURES:						
Workers' Compensation						
Claims Paid	\$4,380,000	\$3,854,137	(\$525,863)	\$5,636,717	\$5,636,717	\$0
Administration	538,616	528,447	(10,169)	736,951	736,951	-
Claims Management	625,000	553,682	(71,318)	675,000	675,000	-
Other Insurance	6,770,443	3,434,667	(3,335,776)	6,749,400	6,749,400	-
Subtotal Expenditures	\$12,314,059	\$8,370,933	(\$3,943,126)	\$13,798,068	\$13,798,068	\$0
Net change in accrued liabilities-Worker's Comp	\$0	\$70,000	\$70,000	\$1,664,032	\$1,414,427	(\$249,605)
Net change in accrued liabilities-Other Insurance	-	(294,972)	(294,972)	-	249,605	249,605
Total Expenditures	12,314,059	8,145,961	(4,168,098)	15,462,100	15,462,100	\$0
ENDING BALANCE, JUNE 30	\$17,682,969	\$22,134,839	\$4,451,870	\$17,683,569	\$22,135,439	\$4,451,870
Restricted Reserves						
Workers Comp Accrued Liability	\$13,373,000	\$13,443,000	\$70,000	\$15,037,032	\$14,857,427	(\$179,605)
Other Insurance Accrued Liability	2,645,937	2,350,965	(294,972)	2,645,937	2,600,570	(45,367)
Reserve for Catastrophic Occurrences	1,664,032	6,340,874	4,676,842	-	4,677,442	4,677,442
Total Reserves	\$17,682,969	\$22,134,839	\$4,451,870	\$17,682,969	\$22,135,439	\$4,452,470

SCHOOL HEALTH AND FLEXIBLE BENEFITS FUND STATEMENT

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$35,996,144	\$35,996,144	\$0	\$33,795,995	\$43,098,681	\$9,302,686
RECEIPTS:						
Employer Contributions	\$143,553,256	\$130,153,981	(\$13,399,275)	\$156,177,177	\$156,177,177	\$0
Employee Contributions	38,794,000	37,981,416	(812,584)	42,891,000	42,891,000	-
Retiree/Other Contributions	21,668,000	27,121,128	5,453,128	26,282,000	26,282,000	-
Interest Income	575,000	2,655,157	2,080,157	1,350,000	1,350,000	-
Medicare Part D	-	-	-	1,900,000	1,900,000	-
Subtotal	\$204,590,256	\$197,911,682	(\$6,678,574)	\$228,600,177	\$228,600,177	\$0
Flexible Accounts Withholdings	\$5,302,859	\$5,543,656	\$240,797	\$6,323,075	\$6,323,075	\$0
Total Receipts	\$209,893,115	\$203,455,338	(\$6,437,777)	\$234,923,252	\$234,923,252	\$0
TRANSFERS IN:						
School Operating Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Receipts and Transfers	\$209,893,115	\$203,455,338	(\$6,437,777)	\$234,923,252	\$234,923,252	\$0
Total Funds Available	\$245,889,259	\$239,451,482	(\$6,437,777)	\$268,719,247	\$278,021,933	\$9,302,686
EXPENDITURES/PAYMENTS:						
Health Benefits Paid	\$145,812,386	\$134,405,916	(\$11,406,470)	\$167,810,392	\$167,810,392	\$0
Premiums Paid	49,137,870	43,488,667	(5,649,203)	50,335,000	50,335,000	-
Claims Incurred but not Reported (IBNR)	13,317,000	16,020,000	2,703,000	19,119,000	19,119,000	-
IBNR Prior Year Credit	(10,416,000)	(10,416,000)	-	(16,332,000)	(16,020,000)	312,000
Health Administrative Expenses	9,223,340	7,626,830	(1,596,510)	9,819,645	9,819,645	-
Subtotal	\$207,074,596	\$191,125,413	(\$15,949,183)	\$230,752,037	\$231,064,037	\$312,000
Flexible Accounts Reimbursement	\$4,909,725	\$4,953,807	\$44,082	\$6,206,937	\$6,206,937	\$0
FSA Administrative Expenses	108,943	273,581	164,638	116,138	116,138	-
Subtotal	\$5,018,668	\$5,227,388	\$208,720	\$6,323,075	\$6,323,075	\$0
Premium Stabilization Reserve	\$33,795,995	\$0	(\$33,795,995)	\$31,644,135	\$30,634,821	(\$1,009,314)
Reserve for GASB 45	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000
Total Disbursements	\$245,889,259	\$196,352,801	(\$49,536,458)	\$268,719,247	\$278,021,933	\$9,302,686
ENDING BALANCE, JUNE 30	\$0	\$43,098,681	\$43,098,681	\$0	\$0	\$0

SCHOOL CENTRAL PROCUREMENT FUND STATEMENT

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$407,012	\$407,012	\$0	\$407,012	\$664,983	\$257,971
RECEIPTS:						
Sales to Schools/Departments	14,000,000	12,820,836	(1,179,164)	14,000,000	14,000,000	-
Total Funds Available	\$14,407,012	\$13,227,848	(\$1,179,164)	\$14,407,012	\$14,664,983	\$257,971
EXPENDITURES:						
Purchase for Resale	\$14,000,000	\$12,562,865	(\$1,437,135)	\$14,000,000	\$14,000,000	\$0
Total Disbursements	\$14,000,000	\$12,562,865	(\$1,437,135)	\$14,000,000	\$14,000,000	\$0
Change in Inventory *	\$0	\$0	\$0	\$0	\$0	\$0
ENDING BALANCE, JUNE 30	\$407,012	\$664,983	\$257,971	\$407,012	\$664,983	\$257,971

* Change in Inventory was not available at time statements were prepared.

**EDUCATIONAL EMPLOYEES' SUPPLEMENTARY
RETIREMENT SYSTEM OF FAIRFAX COUNTY FUND STATEMENT**

	<u>FY 2006 Estimate</u>	<u>FY 2006 Actual</u>	<u>Variance</u>	<u>FY 2007 Approved</u>	<u>FY 2007 Revised</u>	<u>Variance</u>
BEGINNING BALANCE, JULY 1	\$1,647,713,156	\$1,647,713,156	\$0	\$1,708,463,342	\$1,727,603,751	\$19,140,409
RECEIPTS:						
Contributions	\$77,547,620	\$77,176,465	(\$371,155)	\$80,862,168	\$80,862,168	\$0
Investment Income	131,049,425	142,538,768	11,489,343	140,878,133	140,878,133	-
Other	-	-	-	-	-	-
Total Receipts	\$208,597,045	\$219,715,233	\$11,118,188	\$221,740,301	\$221,740,301	\$0
Total Funds Available	\$1,856,310,201	\$1,867,428,389	\$11,118,188	\$1,930,203,643	\$1,949,344,052	\$19,140,409
EXPENDITURES	\$147,846,859	\$139,824,638	(\$8,022,221)	\$159,204,200	\$159,204,200	\$0
ENDING BALANCE, JUNE 30	\$1,708,463,342	\$1,727,603,751	\$19,140,409	\$1,770,999,443	\$1,790,139,852	\$19,140,409

**SUPPLEMENTAL APPROPRIATIONS RESOLUTION
FY 2007**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2007 Appropriation Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>From</u>	<u>To</u>	<u>Change</u>
090	Public School Operating Expenditures	\$2,019,818,405	\$2,103,765,823	\$83,947,418
191	School Food & Nutrition Services Operating Expenditures	\$71,746,427	\$71,941,002	\$194,575
192	School Grants & Self Supporting Programs Operating Expenditures	\$75,698,934	\$92,461,828	\$16,762,894
193	School Adult & Community Education Operating Expenditures	\$11,558,539	\$12,400,025	\$841,486
390	School Construction Operating Expenditures	\$155,586,022	\$558,434,635	\$402,848,613
590	School Insurance Fund Operating Expenditures	\$15,462,700	\$15,462,100	(\$600)
591	School Health & Flexible Benefits Operating Expenditures	\$268,719,247	\$278,021,933	\$9,302,686

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part of the FY 2006 Final Budget Review, at a regular meeting held on July 27, 2006, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**FISCAL PLANNING RESOLUTION
FY 2007**

BE IT RESOLVED that the Fairfax County School Board requests the county Board of Supervisors to amend the FY 2007 Fiscal Planning Resolution for the following School Board funds:

<u>Fund</u>	<u>Fund Name</u>	<u>Transfer To</u>	<u>From</u>	<u>To</u>	<u>Change</u>
090	Public School Operating				
		192 School Grants & Self Supporting Programs	\$29,884,306	\$27,797,076	(\$2,087,230)
		193 School Adult & Community Education	\$1,714,217	\$1,674,217	(\$40,000)
		390 School Construction	\$13,195,057	\$12,999,842	(\$195,215)

I certify the above is a true and correct copy of a resolution adopted by the School Board of Fairfax County, Virginia, as part if the FY 2006 Final Budget Review, at a regular meeting held on July 27, 2006, at Luther Jackson Middle School, Falls Church, Virginia.

Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

**Grants Development Section
Office of Budget Services**

**Quarterly Report – FY 2006
Date: June 30, 2006**

Update for FY 2006 Grants

This report provides the status of competitive grants for FY 2006:

- Competitive grants submitted: \$5.2 million (51 grants)
- Competitive grants awarded: \$3.2 million (31 grants)
- Competitive grants denied: \$.9 million (5 grants)
- Competitive grants pending: \$1.1 million (15 grants)

The status of FY 2006 entitlement grants is as follows:

- Entitlement grants submitted: \$62.1 million (28 grants)
- Entitlement grants awarded: \$61 million (23 grants)
- Entitlement grants denied: \$0 million (0 grants)
- Entitlement grants pending: \$1.1 million (5 grants)

Win Ratios for Competitive Grants

Win ratios are computed for competitive grants using two methods: (1) dollar wins, and (2) number-of-application wins. The dollar ratio reflects our ability to win large grants, while the number-of-application ratio reflects the frequency of awards. For FY 2006 to date:

- FCPS has won \$6.15 out of every \$10 submitted – or 61%
- FCPS has won 6.1 awards out of every 10 applications submitted – or 61%